

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

SB 395 – HB 616

March 2, 2009

SUMMARY OF BILL: Requires all vending machines located on state property to use energy efficient lights for purposes of advertising, or have the lights used for advertising purposes only removed.

ESTIMATED FISCAL IMPACT:

On February 23, 2009, we issued a fiscal note indicating a *decrease in state expenditures of \$215,000*. Based on additional information provided by the University of Tennessee (UT) and the Tennessee Board of Regents (TBR), the fiscal impact of the bill is as follows:

(CORRECTED)

Decrease State Expenditures - \$438,000

Assumptions:

- De-lamping vending machines owned by the state would decrease utility costs.
- According to Waste Reduction Partners (February 2004), de-lamping vending machines resulted in an average annual savings of \$100 per machine/per year in North Carolina.
- According to the Departments of General Services and Environment and Conservation, there are approximately 400 soda and snack vending machines in state parks facilities and rest stops across the state.
- According to the Department of Health, the Blind Services operates approximately 1,750 vending machines in state office buildings. These vending machines are provided by the bottlers. Should these machines require retro-fitting with energy efficient bulbs and hardware, this would cost approximately \$275 per machine. Total increased expenditures for the state for retrofitting machines equals \$481,250 (1,750 machines x \$275 retrofitting costs).
- Due to the cost of retrofitting, none of the vending machines will be retrofit. All machines will be de-lamped.

SB 395 – HB 616 (CORRECTED)

- According to UT, there are approximately 630 vending machines on the campuses across the state.
- According to the Tennessee Board of Regents (TBR), there are approximately 1,600 vending machines in the universities and colleges across the state.
- Average annual utility cost savings if machines are de-lamped equals \$438,000 (4,380 vending machines x \$100 annual savings per machine).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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